

# HOME FRONT

NEW JERSEY HOUSING & MORTGAGE FINANCE AGENCY

WINTER 2002

## MESSAGE FROM THE EXECUTIVE DIRECTOR

HMFA's mission is to create more homeownership opportunities and more affordable rental housing for New Jerseyans earning low- and moderate-incomes. In 2001, we did just that. Through our multi-family financing and the federal Low Income Housing Tax Credit program the Agency provided financing for 3,162 new rental units. We announced two new programs, the Housing Investment Trust and Smart Living programs to continue to address the rental housing needs of our citizens.

Home buyers received some of the lowest interest rates in Agency history on first time home buyer and Police and Firemen's Retirement System mortgages last year. In addition to hosting 6 home buyer information fairs, we created the Home Buying Process brochure to explain the steps in purchasing a home. Available on our web site or through the hotline, this brochure has become an invaluable tool for lenders and prospective buyers.

Through the UHORP program, HMFA financed the construction of 334 new for-sale homes in urban areas. Giving families like Christopher Bonilla's (see letter at right) the opportunity to buy a home and join the community is what UHORP is all about. If we can make Christopher's dream come true we can make the dreams of other New Jersey families a reality too. We look forward to continuing this success in 2002!



DEBORAH DE SANTIS

## UHORP FUNDS TO BUILD NEW FOR-SALE HOMES IN CAMDEN, NEWARK AND PATERSON

The New Jersey Housing and Mortgage Finance Agency (HMFA) committed \$5.3 million in financing and subsidies toward the construction of 100 for-sale homes through Phase IX of its Urban Home Ownership Recovery Program (UHORP). The new homes will be located in three developments in the cities of Camden, Newark and Paterson.

The financing for UHORP Phase IX, which will be provided in partnership with private lenders, will be used for the construction of 100 units. The homes will be marketed as a mixture of low-income, moderate-income and market rate units. Qualified buyers may also be eligible to participate in HMFA's 100% Financing program, which offers below market-rate mortgages with no downpayment. The 100% Financing program is only available to buyers purchasing a home in an HMFA approved development.

Applications are now available for the tenth phase of UHORP. Developers seeking financing for developments of for-sale homes in urban areas may submit an application through February 1, 2002. HMFA's Homeownership Incentive Fund will make \$10 million available in subsidy funds to help finance the homes for low- and moderate-income families. In Phase X, up to \$2.5 million will be available to fund rental units in two-family dwellings and up to \$500,000 will be available to fund U.S. Department of Housing and Urban Development (HUD) HOPE VI projects.

Dear Mr. DeSantis:  
We Thank You for building this beautiful house. This is our first experience living in a house because we always lived in a building. Now my brother and I are able to walk to school and don't have to get over the bathroom. My brother and I can play outside. Baby Sister will now be able to grow up in this house. She is the luckiest because she will have memories from living here with us. My Mom is very happy and always told us not to worry because someday we will get a house and our dream has come true. My family and I hope that you will continue making other families as happy as you made us.

Sincerely,

Christopher Bonilla



Christopher Bonilla lives in Mt. Prospect Heights, one of HMFA's UHORP projects. The developer, La Casa De Don Pedro, celebrated the ribbon cutting of Mt. Prospect Heights in October.

Developers and not-for-profit housing sponsors may receive a copy of the UHORP Phase X application by calling 609-278-7617. E-mail requests including contact name, mailing address and phone number may be sent to UHORP@NJHMFA.STATE.NJ.US.

Total Development Cost	UHORP Development	City	Total Units
\$5,933,100	Fellowship Heights One	Newark	58
\$1,222,975	Pinnacle Estates	Paterson	11
\$4,863,859	Westfield Acres	Camden	31
			100

## HMFA RECEIVES THREE NCSHA AWARDS

**H**MFA received three Awards for Program Excellence from the National Council of State Housing Agencies (NCSHA) in October 2001 for the Home Sweet Home Rehabilitation Loan Program, Unified Application for Housing Production Programs (UNIAP) and Welcome Home videotape. The awards were presented as part of NCSHA's 31st annual conference in Boston, MA.

The Home Sweet Home Rehabilitation Loan Program received a 2001 Award for Program Excellence in the category of Homeownership: Home Improvement and Rehabilitation. The Home Sweet Home Loan Program helps homeowners of older properties in neighborhoods surrounding homes financed through HMFA's Urban Home Ownership Recovery Program (UHORP) make necessary home improvements and enhance their property values. A pilot program with an initial funding of \$10 million, the Home Sweet Home Loan Program is presently available to residents of Newark, Trenton and Camden.



HMFA's Unified Application for Housing Production Programs (UNIAP) won in the category of Management Innovation: Technology Innovation. The Unified Application for Housing Production Programs (UNIAP) is an interactive software program that allows developers of rental housing to apply for the Department of Community Affairs' (DCA) Balanced Housing Program, HMFA multi-family financing and/or the Low Income Housing Tax Credit program.

Winning in the category of Communications: Innovative Media, the Welcome Home videotape was prepared for people with developmental disabilities and their families to provide information on a unique home ownership program developed by HMFA. The Developmental Disability Mortgage Program provides mortgage loans to adults who are on the state Division of Developmental Disabilities' Community Services Waiting List. Copies of the tape are available at no cost to consumers who call the Agency's toll free hotline, and through social service agencies serving the needs of the developmentally disabled.

## HMFA'S HOME OWNERSHIP FOR PERMANENCY PROJECT RECEIVES ADDITIONAL \$3 MILLION INVESTMENT

**A**n additional \$3 million in mortgages is available to lower income adoptive parents through HMFA's Home Ownership for Permanency Project. The Home Ownership for Permanency Project is a partnership between the state Department of Human Services, Division of Youth and Family Services (DYFS) and HMFA. Since its inception in July 1999, HMFA's Home Ownership for Permanency Project has helped 35 families provide permanent homes for approximately 79 adopted children.

"The Permanency Project is opening the door for more adoptive families who want to create a permanent home for their foster children but need the financial support to do so. The additional \$3 million we have committed to the program will give HMFA the opportunity to offer low-interest mortgages to more adoptive families."

Deborah De Santis  
HMFA Executive Director

The state's initial \$2 million commitment was matched by a grant from the Catastrophic Illness in Children Relief Fund for a total of \$4 million in program funding.

In October 2000, HMFA invested an additional \$4 million in funding for the Home Ownership for Permanency Project. Due to the overwhelming success of the program, almost all of the funds have been committed.

The Home Ownership for Permanency Project makes 30 year mortgages with below market interest rates available, with 100% financing if needed, to low- and moderate-income adoptive parents and relative care givers faced with inadequate or unaffordable housing. Financing for home improvement, rehabilitation and refinancing to enhance or enlarge a current home to accommodate new family additions is also available.



## HOUSING INVESTMENT TRUST FUND APPROVED

By Deborah Celhar  
Division of Program Development

**O**n September 20, 2001, the HMFA Board approved an allocation of \$15 million to fund a Housing Investment Trust Fund. A portion of the proceeds realized from the Agency's operations will provide ongoing funds for the Trust through annual contributions.

"The Housing Investment Trust Fund allows us to fill in any financing gaps that would prevent a worthwhile project from coming to fruition," said HMFA Executive Director Deborah De Santis.

The first initiative under the Trust is the Affordable Rental Housing Subsidy Loan Program. Developers applying for HMFA first mortgage financing will now have an additional source of capital to fill any gaps that could jeopardize the economic feasibility of a project. The flexible secondary mortgage loans will help boost the production of housing to meet the needs of low-income New Jersey residents statewide.

Developers may apply for as much as \$20,000 per unit with a cap of \$2 million per housing project to subsidize their financing package. The program will cover both new construction and major rehabilitation of housing units with rents not exceeding affordability at 60% of median income.

# HMFA ISSUES \$109.2 MILLION IN HOUSING BONDS

**H**MFA completed the sale of \$109.2 million in triple-A-rated multi-family housing revenue bonds in October 2001. Using proceeds from the bond sale, HMFA will provide the construction and/or permanent financing for 2,063 units of rental housing in 15 multi-family developments across the state.

Of the 2,063 units to be constructed or rehabilitated, 930 will be affordable for families earning low- to moderate-incomes.

In addition to providing affordable housing for families, the bond sale will provide financing for 573 units of affordable housing for seniors and financing for two assisted living developments which will provide 64 additional units of affordable housing.



"HMFA encourages the adaptive re-use of buildings to create affordable housing solutions and the preservation of existing rental apartments for lower income residents," said HMFA Executive Director Deborah De Santis. "This bond sale will finance four preservation projects and provide the necessary financing to turn two of New Jersey's historic buildings into new housing for senior citizens."

## FUNDS AVAILABLE FOR CAPITAL IMPROVEMENTS

**A**s projects in HMFA's management portfolio continue to age the need arises for improvements to protect the safety of the buildings' residents and maintain a high quality of living. In response to this need, HMFA set aside \$10 million in July 2001 to fund the Capital Improvement Assistance Program (CIAP). CIAP will provide loans to those projects who request assistance in financing specific improvements and do not have substantial funds to complete the work.

Improvements addressing life safety concerns such as fire alarms, smoke detectors, heating systems, etc. will be given priority. The Agency has received \$40 million in requests from 27 developments for capital improvement loans. HMFA is now in the process of reviewing the applications.

PROJECT NAME	COUNTY	TYPE	TOTAL UNITS
HIGHLAND PARK SENIOR HOUSING	MIDDLESEX	SENIOR	57
ASSISTED LIVING OF WALL TWP.	MONMOUTH	SENIOR	108
MADISON TURNER SENIOR HOUSING	ESSEX	SENIOR	44
CHRISTOPHER COLUMBUS	PASSAIC	FAMILY	36
KINGS HIGHWAY TOWER	BURLINGTON	FAMILY	408
MARIAN TOWERS	HUDSON	SENIOR	154
FERRY STATION	CAMDEN	FAMILY	542
PARAGON VILLAGE	MORRIS	SENIOR	150
BROWNS WOODS	BURLINGTON	FAMILY	150
BRAMBLEWOOD APARTMENTS	MERCER	SENIOR	117
AVENEL MANOR	MIDDLESEX	SENIOR	88
HAMLET AT BEAR CREEK	MERCER	SENIOR	61
METROPOLITAN INN	BURLINGTON	SENIOR	16
WEST ELECTRONICS BUILDING	BURLINGTON	SENIOR	36
DR. KING PLAZA	ESSEX	FAMILY	96
<b>TOTAL</b>			<b>2,063</b>

## LIHTC FINAL CYCLE AWARDS ANNOUNCED

**I**n 2001 final cycle of federal Low Income Housing Tax Credit (LIHTC) allocations, HMFA awarded \$2.8 million to one senior development and three family developments that will provide 217 units of low-income housing. The four developments receiving tax credits are located in Elizabeth, Newark and West Milford.

"We are committed to expanding the supply of affordable housing for New Jersey residents. The Low Income Housing Tax Credit program is one of the ways the state is working with partners in the public, private and non-profit sectors to create new housing options."

Deborah De Santis  
HMFA Executive Director

In July, HMFA announced the first round of 2001 Low Income Housing Tax Credit allocations totaling approximately \$10 million.

The first round of allocations funded the construction of 882 units in 13 developments across the state. The total allocations for 2001 will provide

the financing for 1,099 apartments affordable to people earning low incomes.

"This year's Low Income Housing Tax Credit allocations will create new housing opportunities especially in our urban areas," said HMFA Executive Director Deborah De Santis. "This investment in affordable housing will benefit New Jersey's hard-working families, seniors and people with special needs."



Development	Units	Location	Type
Lincoln Hill Village	49	West Milford	Senior
Cherry Tree Village	110	Newark	Family
Sierra Gardens	33	Elizabeth	Family
Springfield Village Apartments	25	Newark	Family



# HMFA

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## UPCOMING EVENTS

### JANUARY

16TH

- “LET’S MAKE A DEAL”LIHTC APPLICATION TRAINING SESSION & SYNDICATION MARKETPLACE

### FEBRUARY

1ST

- ATLANTIC COUNTY REALTORS' LUNCHEON
- UHQP PHASE X APPLICATION DEADLINE

### MARCH

- LIHTC PRE-APPLICATION MEETINGS

### APRIL

15TH

- MERCER COUNTY HOUSING FAIR
- SOMERSET COUNTY HOUSING FAIR
- LIHTC APPLICATION DEADLINE

HMFA is always seeking experienced, qualified individuals to fill vacant positions within the Agency. HMFA offers a generous benefit package that includes: health, dental, prescription, vision, life and long term disability; tuition assistance for both undergraduate and graduate studies; pension and deferred compensation plans; extensive holiday, vacation, personal and sick leave packages; and flexible working hours. Vacancies are listed on the HMFA web site: [www.nj-hmfa.com](http://www.nj-hmfa.com) under Employment Opportunities. Resumes may be mailed to HMFA, Human Resources, P.O. Box 18550, Trenton, NJ 08650-2085 or faxed to 609-278-8858.



## HOME FRONT WINTER 2002

Home Front is a newsletter produced by the **New Jersey Housing and Mortgage Finance Agency (HMFA)**. HMFA creates and implements programs to advance the rehabilitation, construction and financing of affordable housing for the state's residents, lenders, developers, and contractors. HMFA is the state administrator for federal housing assistance programs, and works in cooperation with state, municipal and not-for-profit agencies. HMFA secures program funding and operating expenses through the sale of taxable and tax-exempt bonds to private sector investors, and is not dependent upon funding from the state Treasury.

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